Finmeccanica Full Year 2008 Results Presentation

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USA, 17-19 March 2009

FINMECCANICA

Safe Harbor Statement

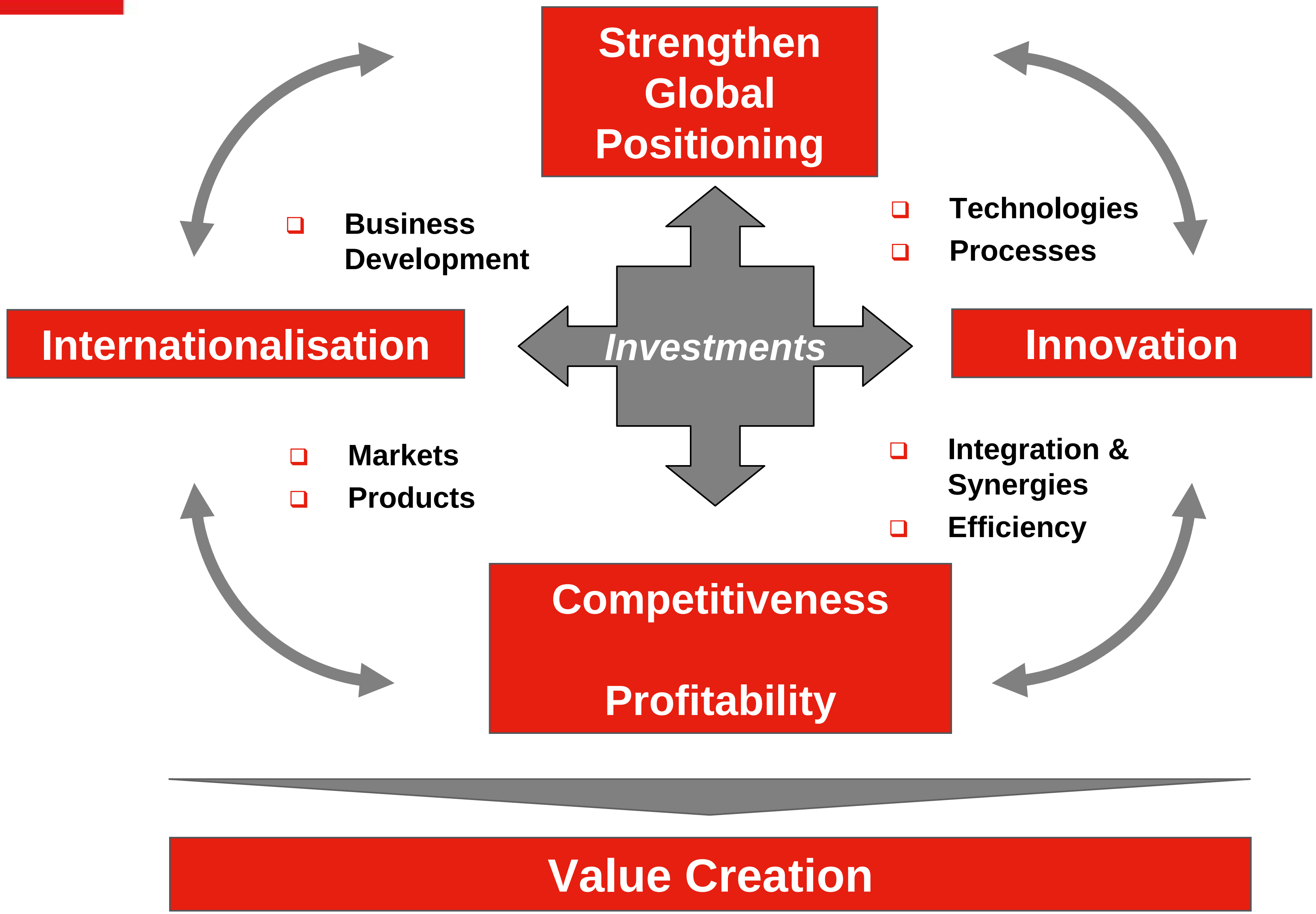
- NOTE: Some of the statements included in this document are not historical facts but rather statements of future expectations, also related to future economic and financial performance, to be considered forward-looking statements. These forward-looking statements are based on Company's views and assumptions as of the date of the statements and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Given these uncertainties, you should not rely on forward-looking statements.
- The following factors could affect our forward-looking statements: the ability to obtain or the timing of obtaining future government awards; the availability of government funding and customer requirements both domestically and internationally; changes in government or customer priorities due to program reviews or revisions to strategic objectives (including changes in priorities to respond to terrorist threats or to improve homeland security); difficulties in developing and producing operationally advanced technology systems; the competitive environment; economic business and political conditions domestically and internationally; program performance and the timing of contract payments; the timing and customer acceptance of product deliveries and launches; our ability to achieve or realize savings for our customers or ourselves through our global cost-cutting program and other financial management programs; and the outcome of contingencies (including completion of any acquisitions and divestitures, litigation and environmental remediation efforts).
- These are only some of the numerous factors that may affect the forward-looking statements contained in this document.

Contents

Pier Francesco Guarguaglini

Introduction

Our Strategy



2008: Continuing to Deliver Consistently on our Strategy

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Strengthen Global Positioning	✓ Total Revenues up from €13.4bn in 2007 to €15bn in 2008 (+12% YoY, 8% organic)
Internationalisation	✓ International orders, excl. Italy and UK, representing 60% of total order intake
Competitiveness Profitability	✓ Ebita margin up from 7.8% in 2007 to 8.7% in 2008
Innovation	✓ R&D investments up to €1,809mln, 12% of Revenues, of which 77% in Strategic Pillars
Value Creation	✓ EVA from €227mln in 2007 to €380mln in 2008 (+67% YoY)

2008: a Cornerstone in the Implementation of our Strategy

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In line with our industrial, geographical and financial strategy

… we acquired DRS Technologies…

✓ **a leading player**

✓ **in one of our three strategic pillars: Defence Electronics**

✓ **positioned in the largest Defence market: USA**

… despite financial market turmoil, to finance the acquisition we…

✓**obtained a Bridge Loan for €3.2bn**

✓ **raised Share Capital for €1.2bn**

✓**issued a €1bn bond**

Responding to the Crisis

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- ✓ Against the current backdrop of financial crisis and slowdown in the real economy, visibility is lower and forecasts more difficult to make

- ✓ To respond to the present situation, we intend to strengthen and to leverage more on some key aspects of our strategy such as:

  - Geographical diversification and focus on Strategic Pillars, Defence Electronics, Helicopters and Aeronautics

  - Financial discipline and rigour, through a selective investment policy aimed at continuous growth in profitability and strong focus on cash flow generation

Alessandro Pansa

Financial & Business Review

2008: Another Year of Profitable Growth and CF Generation

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FY 2008 Vs FY 2007 (DRS consolidated from 22 October 2008)

- Revenues up 12% (8% organic) to €15bn; EBITA Adjusted up 25% (20% organic) to €1.3bn
- Net profit up19% to €621mln; EPS Adj. up 27% to €1.39; Dividend proposed of 41 Eurocents per share, up 11%
- EVA up 67% to €380mln. ROI up to 21.4%, from 18.9% in 2007
- FOCF up 25% to 469mln. Net debt, after DRS acquisition up to €3.4bn, from €1.2bn at the end of 2007. Debt to Equity 55%
- Order intake at €17.6bn, approx. 51% military. Record Backlog up 9% to €42.9bn

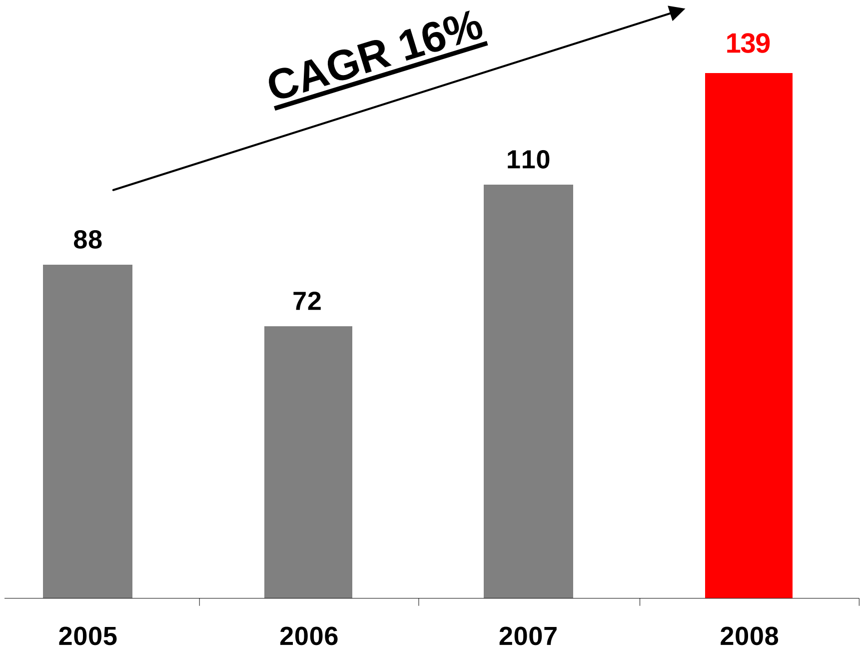
2008 Results Beat Guidance for Finmeccanica Stand Alone (without DRS)

DRS Contribution in 2008 (from 22 October)		DRS FY2008 Pro Forma (12 months of DRS)	
Revenues	€551mln	Revenues	€2.6bn
EBITA Adj	€51mln	EBITA Adj	€262mln
Net profit	€16mln	Net profit	€63mln
Orders	€251mln	Orders	€2.5bn
FOCF	€26mln	FOCF	€50mln

Forex €/US$ 1.47 for P&L
Forex €/US$ 1.39 for Balance Sheet

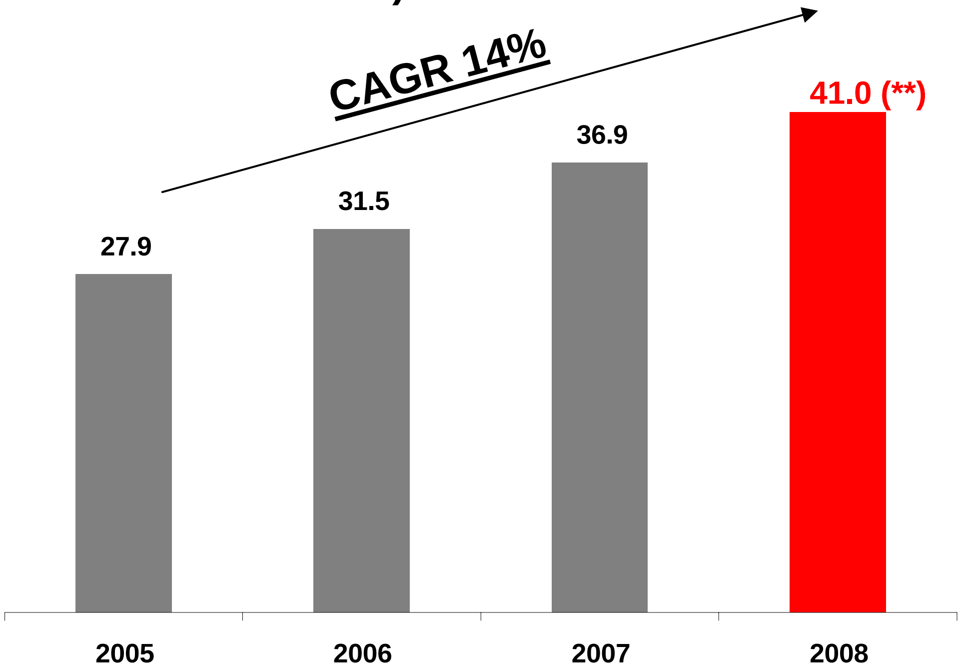
Strong Attention to Shareholder Remuneration: DPS Double-Digit CAGR Backed by EPS Growth

EPS Adjusted (*) (in Euro cents)



(*) Excluding extraordinary operations and minority interests

Ordinary DPS (in Euro cents)



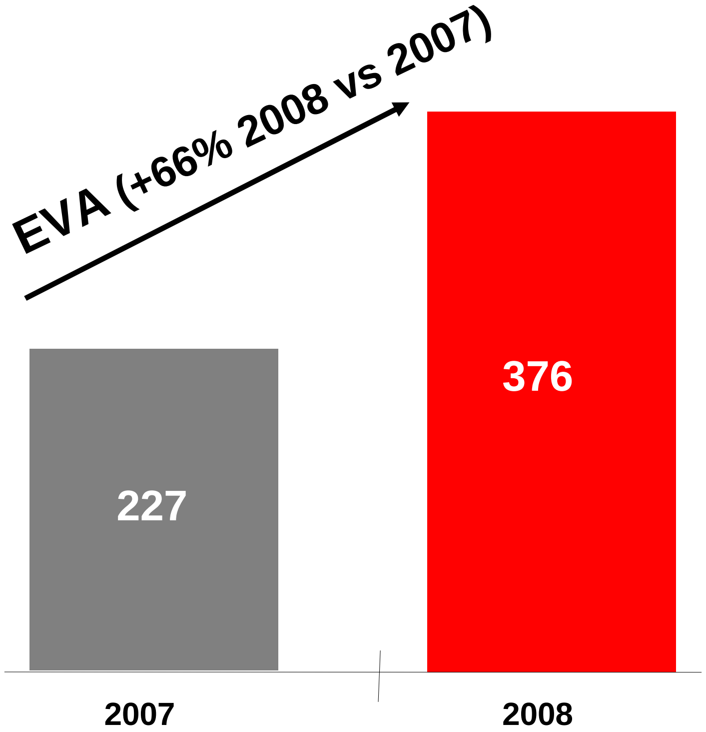
All dividends relating to FY 2005 / 2007 recalculated to take into account the impact of the Rights Issue completed on 21 November 2008.

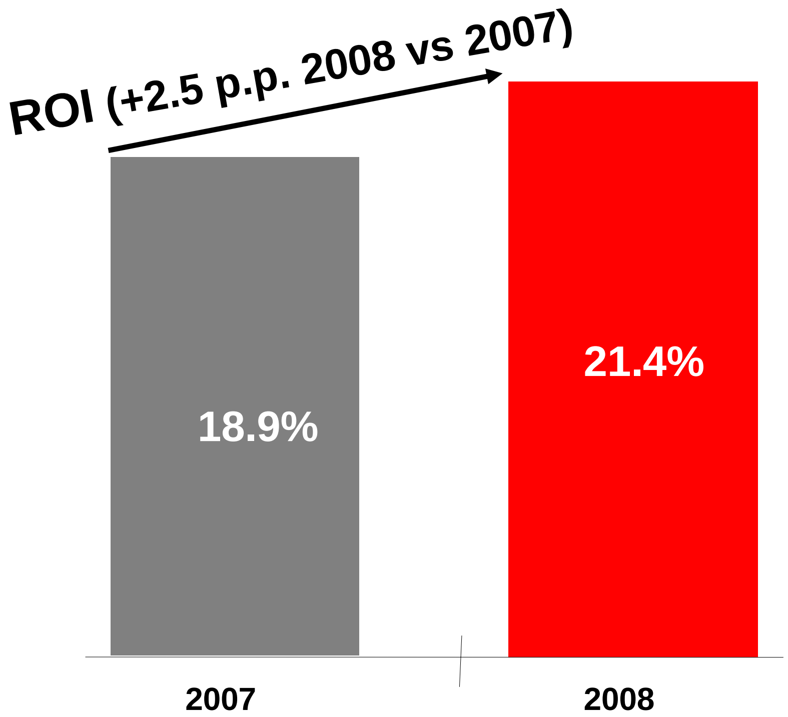
(**) 2008 proposal to be approved by AGM

- DPS proposed for 2008 of 41 Euro cents (+11% vs. 2007); Dividend pay out increases to 38% in 2008; Dividend yield at current prices is 4%
- Furthermore, in 2005 Finmeccanica paid an extraordinary DPS of 17.1 Euro cents

Increasing Value Creation and Profitability of Invested Capital

€ mln





Total R&D Expenditure in 2008

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€ mln	FY 2008		FY 2007	
	Value	% of Revenues	Value	% of Revenues
R&D Total Expenditure	**1,809**	**12.0%**	**1,836**	**13.7%**
of which:				
Customer Funded	850		897	
Government Funded	422		362	
Group Expenditure	537		577	

€ mln	FY 2008		FY 2007	
	Value	% of Revenues	Value	% of Revenues
Group expenditure	**537**	**3.6%**	**577**	**4.3%**
of which:				
R&D Costs Charged to P&L	290	1.9%	289	2.2%
Gross R&D Capitalised	247		288	

Development Costs Capitalised in Intangible Assets at 31 December 2008

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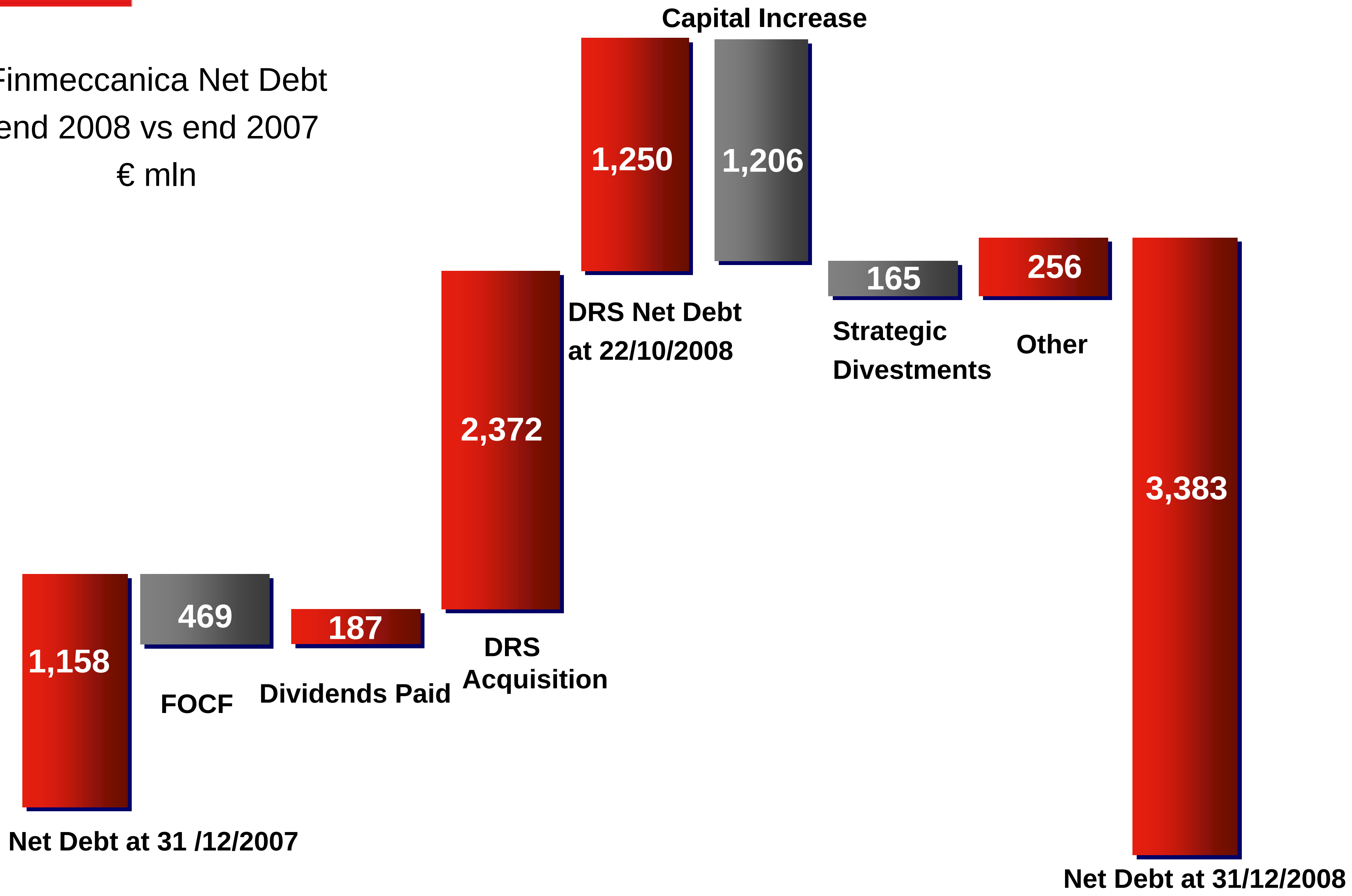
€ mln	Self Funded National Security	Self Funded Other	Total
1 Jan 2008 Opening balance	684	332	1,016
Gross R&D Capitalised	35	212	247
Depreciation	(59)	(71)	(130)
Write-off and Other Movements	(27)	1	(26)
Net R&D Capitalised	(51)	142	**91**
31 Dec. 2008	633	474	1,107

Share Capital Increase and Cash Flow Generation Limit Increase in Net Debt

Finmeccanica Net Debt
end 2008 vs end 2007
€ mln



Average Maturity Now 5 Years and Average Cost of Debt ca. 5%

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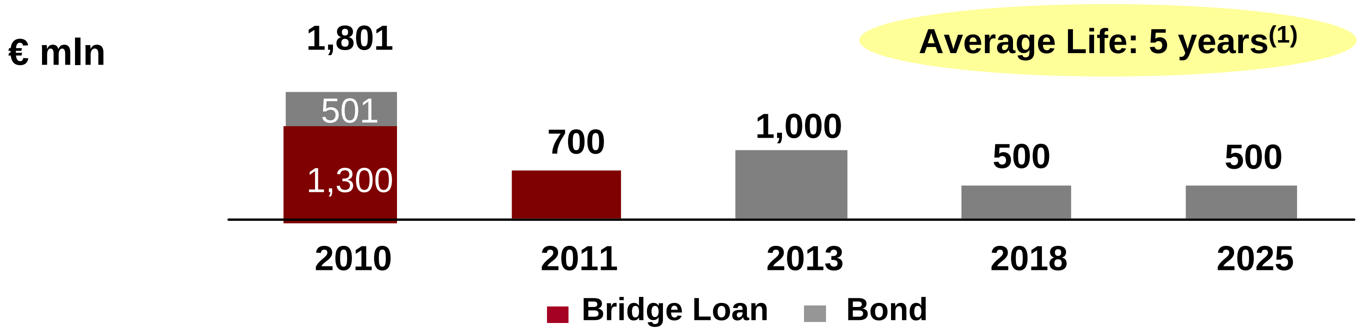

DRS financing successfully achieved, Credit Rating maintained (BBB/A3, stable outlook) after:

- **Bridge Loan (July 2008) of €3.2bn:** renegotiated in December, leading to the maintenance of favourable conditions. No Ansaldo Energia IPO required for reimbursement;
- **Capital Increase (closed in Nov. 2008):** €1.2bn issued successfully, €400mln higher than required by Bridge Loan terms; proceeds immediately used to partially pay down Bridge Loan
- **Bond (Dec./Feb. 2009**): €1bn raised, despite financial market turmoil
- **DRS bonds** almost entirely reimbursed in January 2009

No Refinancing Needs in 2009

(1) DRS Bond reimbursed on January 2009 not included.

Business Review

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Outlook

Defence Budgets Substantially Stable in Finmeccanica's Three Domestic Markets (1/2)

1) Italy, UK and USA now account for almost 60% of Group revenues

2) Defence budgets expected substantially stable in these countries over next few years despite financial crisis

3) Security requirements, usually funded independently from Defence, expected to increase

4) Business and geographical diversity and lack of dependency on any one programme

Finmeccanica able to respond to market conditions accordingly

Defence Budgets Substantially Stable in Finmeccanica's Three Domestic Markets (2/2)

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Italy

Overall Defence investments for 2009-11, funded by Defence and Industry Ministries, substantially unchanged vs 2006-08

Finmeccanica able to source other ministerial funding for Security programmes (ie Ministries of Interior and Transportation)

UK

Stability in Defence procurement expected in the short and medium term

Finmeccanica's main programmes not at risk (ie Future Lynx, Eurofighter)

USA

Defence budget expected to be substantially stable for 2010 and 2011

Major revamping/upgrade programmes could replace potential delays/ cancellations of Procurement contracts, with direct benefits for our businesses

Strong Business and Geographical Diversity Reduces Risk of Programme Delays/Cancellations (1/2)

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EXPECTED

Helicopters

- CH47+CSAR Italy
- Integrated Operational Support for UK MoD rotary wing fleet
- AW101 - AW109 export
- AW139 orders expected over 2009-2013

Defence Electronics

- Eurofighter Tr.3 & export for avionics
- Forza Nec, Battleground Digitalisation
- Tetra, Secure Comms, for Italian Police
- Air Traffic Control, i.e. Russia &CIS, Romania, Turkey
- Naval Combat Systems for UAE

Aeronautics

- Eurofighter Tr.3
- C-27J export opportunities (i.e. Slovakia, Greece, Lithuania, Bulgaria, Romania) in addition to US JCA
- M346 contract in UAE and with Italy (total ca. 55 a/c)

OPPORTUNITIES

(not included in the guidance)

Helicopters

- AW119 Koala India
- AW 101 export
- USA: ARH and Combat Search&Rescue in USA (in 2009)
- Presidential Helicopter

Defence Electronics

- Border Control programmes in different countries (Middle Eastern, Arabic and North African countries)
- Avionics equipment for additional Eurofighter export opportunities
- Combat Systems for India

Aeronautics

- EFA export (i.e. Saudi, Japan, Turkey, India, Greece, Romania, Switzerland)
- C-27J export opportunities (i.e. Nigeria, India, Oman, UAE, Qatar)
- M346 export (i.e. Singapore, Greece, others) for a total of >60 a\c
- JSF involvement over next decade starting 2011/12

Strong Business and Geographical Diversity Reduces Risk of Programme Delays/Cancellations (2/2)

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EXPECTED

Space
- Cosmo, Earth Observation **(Services)**
- Sicral, Defence & Security
- Galileo, Infomobility

Defence Systems
- Forza Nec, Battleground Digitalisation
- Black Shark (Italy & export: India, Brasil, UAE, Poland)
- Missiles: Meteor for EFA's European partners)
- Underwater Systems UAE

Energy
- New Turbines: Europe, Middle East & North Africa
- Service

Transport
- Italy High Speed and Regional
- USA Los Angeles metro (California)
- STS driverless metro (i.e. Italy, Denmark, UAE, Greece, Far East)

OPPORTUNITIES

(not included in the guidance)

Space
- Security and Earth Observation for Europe and Middle East **(Services)**
- Commercial segment (constellation)

Defence Systems
- Eurofighter Saudi for missiles and export opportunities
- Underwater Turkey, India (Heavy torpedoes and ATDS countermeasures)
- Naval Guns USA (LCS)

Energy
- New Turbines Russia & CIS
- Service
- Nuclear & Renewables

Transport
- Saudi, High Speed Mecca-Medina
- Russia, Regional trains
- High Speed opportunities worldwide
- Asia, Driverless Systems

Helicopters: Large Robust Military Backlog Supports Future Performance

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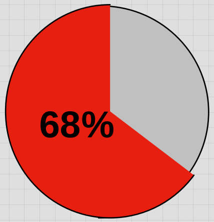
(€ mln)	FY 08	FY 07	%Change
Revenues	3,035	2,980	2%
EBITA Adj	353	377	(6)%
Margin	11.6%	12.7%	-
Orders	5078	3,970	28%
Backlog	10,481	9,004	16%

Defence Revenues



FY 2008

- Exceeded 2008 revenue and delivery targets. Revenue growth mainly driven by higher volumes in civil-gov (AW109 +34% YoY, AW119 +50%, AW139 +22%); 226 helos delivered (+20%)
- Strong order growth driven by both military – T129 Atak, €1.1bn - and commercial (312 units for ca. €2.3bn)
- Slight decrease in profitability due to sterling translation effect and product mix

Outlook 2009 - 2011

- Well placed to endure current economical slowdown; able to maintain solid growth
- Multiple rotorcraft applications dilute exposure to downturn in specific sectors
- Order intake expected to be supported by higher demand for new government and military helicopters worldwide, while civil orders are expected to decline

Defence Electronics: Well Placed to Respond to Increasing Worlwide Security Needs

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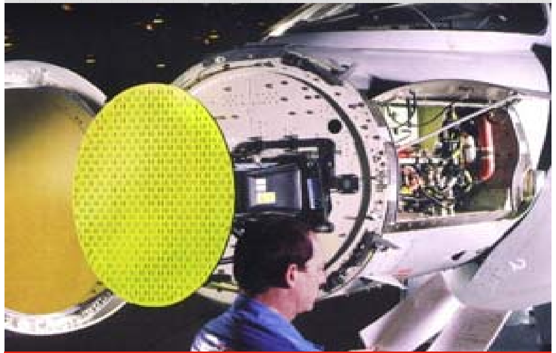
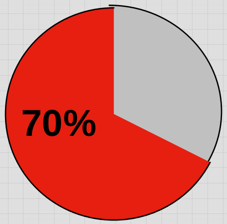


(€ mln)	FY 08	FY 07	%Change
Revenues	4,362	3,826	14%
EBITA Adj	442	427	4%
Margin	10.1%	11.2%	-
Orders	4,418	5,240	(16%)
Backlog	10,700	8,725	23%

DRS consolidated from 22 October 2008

Defence Revenues



FY 2008

Excluding DRS impact, consolidated from 22/10/2008

- Orders mainly driven by further tranche of Eurofighter T2, FREMM, ATC Qatar, Civil protection systems, IT & Security
- Revenue and EBITA impacted by negative sterling translation effect, partially offset by increased volumes in IT & Security, Avionics (Eurofighter), Electro-optics

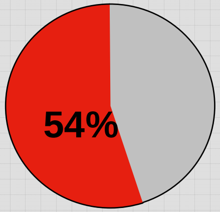
Outlook 2009 – 2011

- Increase in orders and revenues driven primarily by Eurofighter, Border control and security systems, land systems (i.e. Forza NEC), TETRA and Through-Life Management
- Benefits from enlarged Electronics, in the form of integration and new opportunities from combined offering between DRS and Finmeccanica platforms
- Good diversification of DRS backlog reduces risks of delays/cancellations

Aeronautics: Breakthrough Selection for M346 in UAE

(€ mln)	FY 08	FY 07	%Change
Revenues	2,530	2,306	10%
EBITA Adj.	250	240	4%
Margin	9.9%	10.4%	-
Orders	2,720	3,104	(12%)
Backlog	8,281	8,248	0%

Defence Revenues



FY 2008

- Revenues up 10% due to ATR and aerostructures (B787 and A380)
- Volumes and restructuring drive EBITA increase, offset by mix
- Robust and high quality backlog further enhanced by good military orders (Eurofighter, C27J, G222, ATR Special Mission)

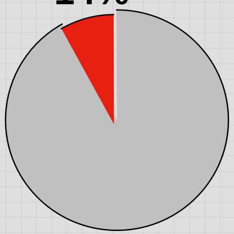
Outlook 2009 – 2011

- Worldwide opportunities for M346, boosted by recent selection in UAE
- Strong legacy (Eurofighter and C27J) and new (M346) programmes drive profitability
- Pace of B787 contribution will depend on evolution of civil market downturn.

Space: Large European Programmes Confirmed

(€ mln)	FY 08	FY 07	%Change
Revenues	994	853	17%
EBITA Adj.	65	61	7%
Margin	6,5%	7.2%	-
Orders	921	979	(6%)
Backlog	1,383	1,423	(3%)

Defence Revenues



FY 2008

- Revenues up 17% driven by both Manufacturing and Services
- EBITA growth mainly due to higher volumes of production offset by weaker mix

Outlook 2009 – 2011

- Revenue growth driven by Services; increased profitability mainly due to synergies and scale economies
- Order growth driven by both Manufacturing (Galileo, Gmes, Meteosat, Sicral2) and Services (COSMO, Sicral 1B and Galileo/Infomobility)

Defence Systems: Good and Sustainable Performance

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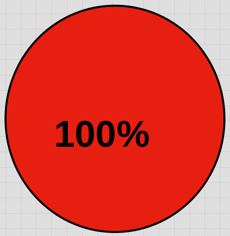
(€ mln)	FY 08	FY 07	%Change
Revenues	1,116	1,130	(1%)
EBITA Adj	127	125	2%
Margin	11.4%	11.1%	-
Orders	1,087	981	11%
Backlog	3,879	4,099	(5%)

Defence Revenues



FY 2008

- Order growth driven by further tranche of FREMM programme and Torpedoes
- Revenues driven by Torpedoes (Black Shark, MU90), Land&Naval (VBM, Hitfist), offsetting a slight decrease in Missiles
- Profitability increase mainly due to higher volumes in Land & Naval and Torpedoes

Outlook 2009 – 2011

- Growth and profitability driven by Torpedoes and Missiles
- Restructuring continues at pace in Land&Naval and Missiles
- Orders driven by Land (Forza NEC, VBM), Torpedoes (Black Shark, A244/3, MU90), Naval (76/62 SR) and Missiles (Meteor and Aster)

Civil Engineering: Breakeven Achieved in Transport, Restructuring Continues

Transportation

(€ mln)	FY 08	FY 07	%Change
Revenues	**1,759**	**1,356**	**30%**
EBITA Adj.	**126**	**(110)**	n.s.
Margin	7.2%	(8.1%)	-
Orders	1,557	1,786	(13%)
Backlog	4,849	5,108	(5%)

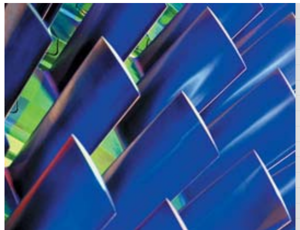
FY 2008

- Volumes increase mainly due to Signaling & Systems
- Ebita growth mainly due to break even in Vehicles and higher volumes and profitability for Signaling & Systems

Outlook 2009 – 2011

- Good order inflow expected from both Signaling & Systems and Vehicles

Energy



(€ mln)	FY 08	FY 07	%Change
Revenues	**1,333**	**1,049**	**27%**
EBITA Adj.	**122**	**93**	**31%**
Margin	9.2%	8.9%	-
Orders	2,054	1,801	14%
Backlog	3,779	3,177	19%

FY 2008

- Profitability increase due to higher production
- Order growth mainly driven by New Units (Plants & Components and Combined Cycle plants)

Outlook 2009 – 2011

- Service activities and Components will drive growth together with consolidation in New Unit segment
- Good opportunities for Nuclear business in L/T, without significant direct investments

Updating our Guidance for 2009 and 2010 (DRS Included)

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	2009E	**2010E**
Revenues	***€17.1-17.7bn***	***€17.4-18.6bn***
EBITA	***€1,550-1,620mln***	***€1,650-1,760mln***
Assumptions: forex €/US$	*1.43*	*1.485*

- Cumulative FOCF(*) 2008-2010, including DRS, €1.3–1.5bn, of which ca. €400 – 500mln expected in 2009
- Dividend policy: increase together with profits
- Net bank debt/EBITDA $\leq$ 1.8x

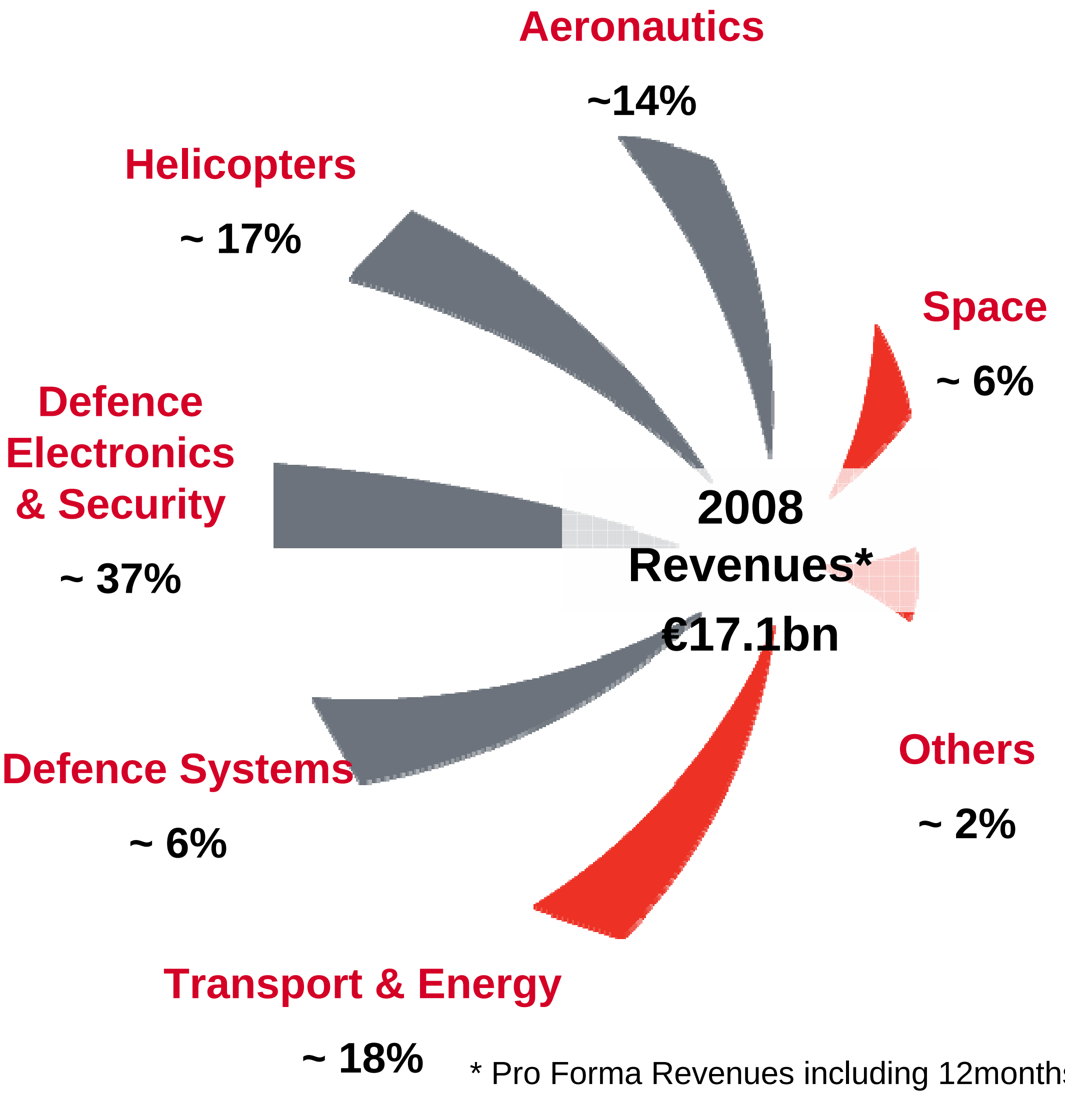
Guidance achieved for each of last six years. Management still fully committed to setting and pursuing targets for both 2009 and 2010. However, the deteriorating economic and financial outlook lowers visibility and increases uncertainty

(*) Free Operating Cash Flow: Operating Cash after investments, net financial charges and taxes

Pier Francesco Guarguaglini

Business Strategy

Finmeccanica Today:
a Leading A,D&S International Player…



- …focused on 3 Strategic Pillars (Helicopters, Aeronautics, Defence Electronics & Security ca. 70% of Revenues), with local industrial presence in 3 domestic markets (USA, UK, Italy 60% of Revenues)
- With outstanding positions in other Defence segments (Missile, Underwater, Land & Naval Armament)
- Reference partner in the Space Alliance, with control over Value Added Services (VAS) and Ground Operations
- Strong niche capabilities in Transport and Energy: tactical assets for value creation

* Pro Forma Revenues including 12months of DRS Technologies

Pursuing Six Main Strategic Objectives

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1. Drive further profitable growth of the 3 Strategic Pillars, also leveraging DRS's positioning in US
2. Exploit specific niche excellences to conclude wider strategic alliances (e.g. torpedo systems)
3. Leverage Group's system capabilities to capture public sector investments in infrastructure
4. Strengthen industrial competitiveness to secure cash generation in line with achieved profitability
5. Rationalise product portfolio and selectively innovate in a sustainable way
6. Establish and develop new local partnerships to achieve strong footprint in selected growing markets

Value Creation for our Shareholders

Executing the Strategy

Strategic objectives will be executed by targeting profitability returns and in line with the following priorities:

- ✓ Cash flow generation to secure growth
- ✓ Sustainable and selected investments (tangible and intangible) aimed at enhancing competitiveness and quality (from internal processes to Customer delivery)
- ✓ Balanced and properly diversified product mix enabling innovation

Good DRS Fit with Finmeccanica Confirmed So Far

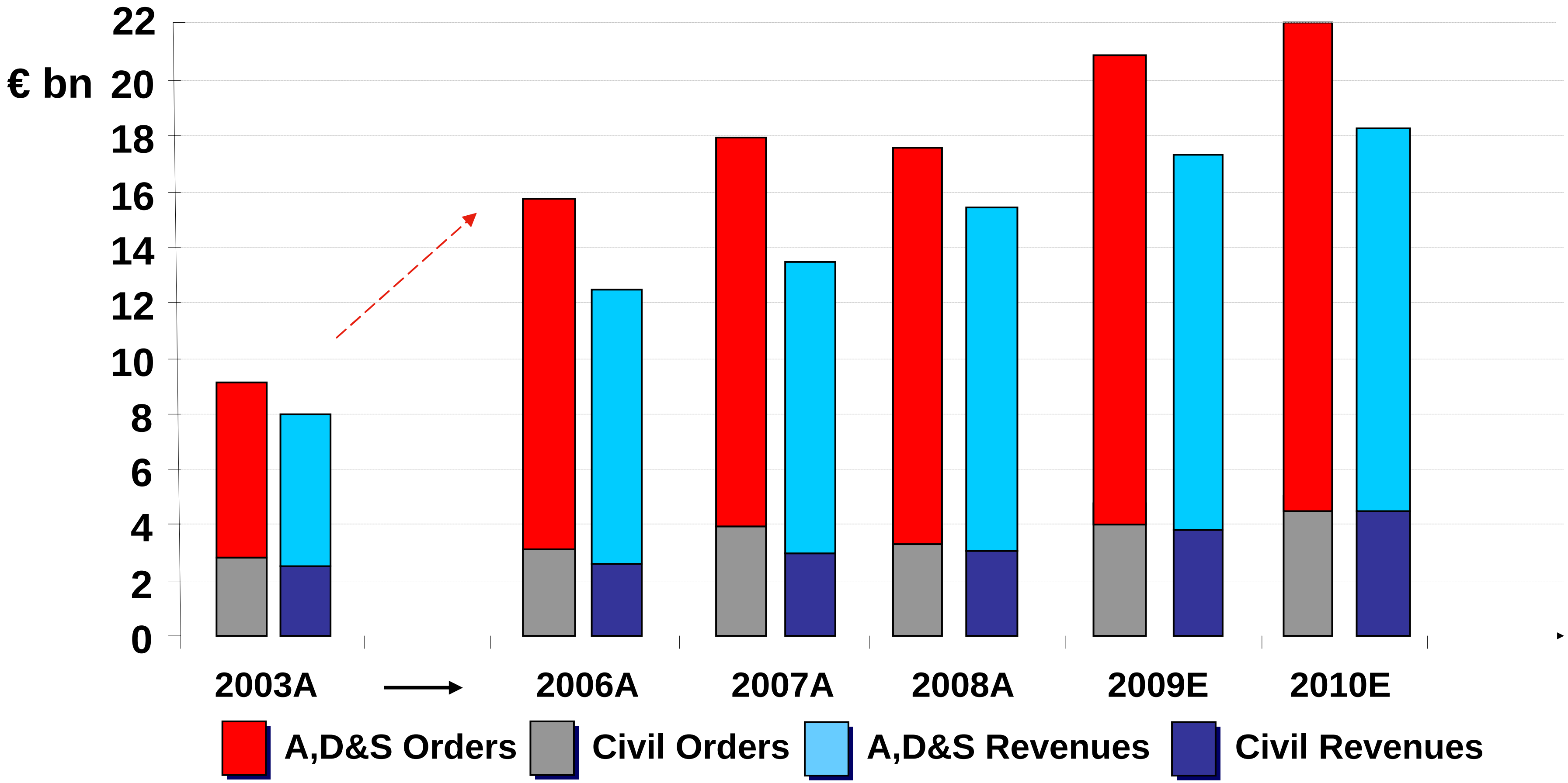
First commercial indications in North America are encouraging

- Finmeccanica Space Services business won two contracts in December to provide US Defence Forces, through DRS, with connectivity services in support of troop operations
- Potential to bring DRS capabilities onto future US military programmes together with Finmeccanica's helicopter and aircraft businesses
- Maintenance and overhaul capabilities (DRS currently on C130 Coast Guard programme) could be extended to civil and military helicopter fleets and military aircraft programmes
- Possibility for DRS and Selex Galileo to develop new generation EO systems

First proposals for international border control and homeland security programmes

- First combined initiatives demonstrate how DRS capabilities and relationships enhance Finmeccanica's ability to compete for Homeland Security and Border Control programmes internationally:
  - Saudi Arabia critical infrastructure protection
  - Security systems for vessel traffic management from Europe to USA
  - Civil infrastructure protections systems in Iraq
  - Finmeccanica comms equipment selected under DRS Security projects in Mediterranean

Solid Organic Growth, Backed by a Large Backlog and Strong Programme Positioning

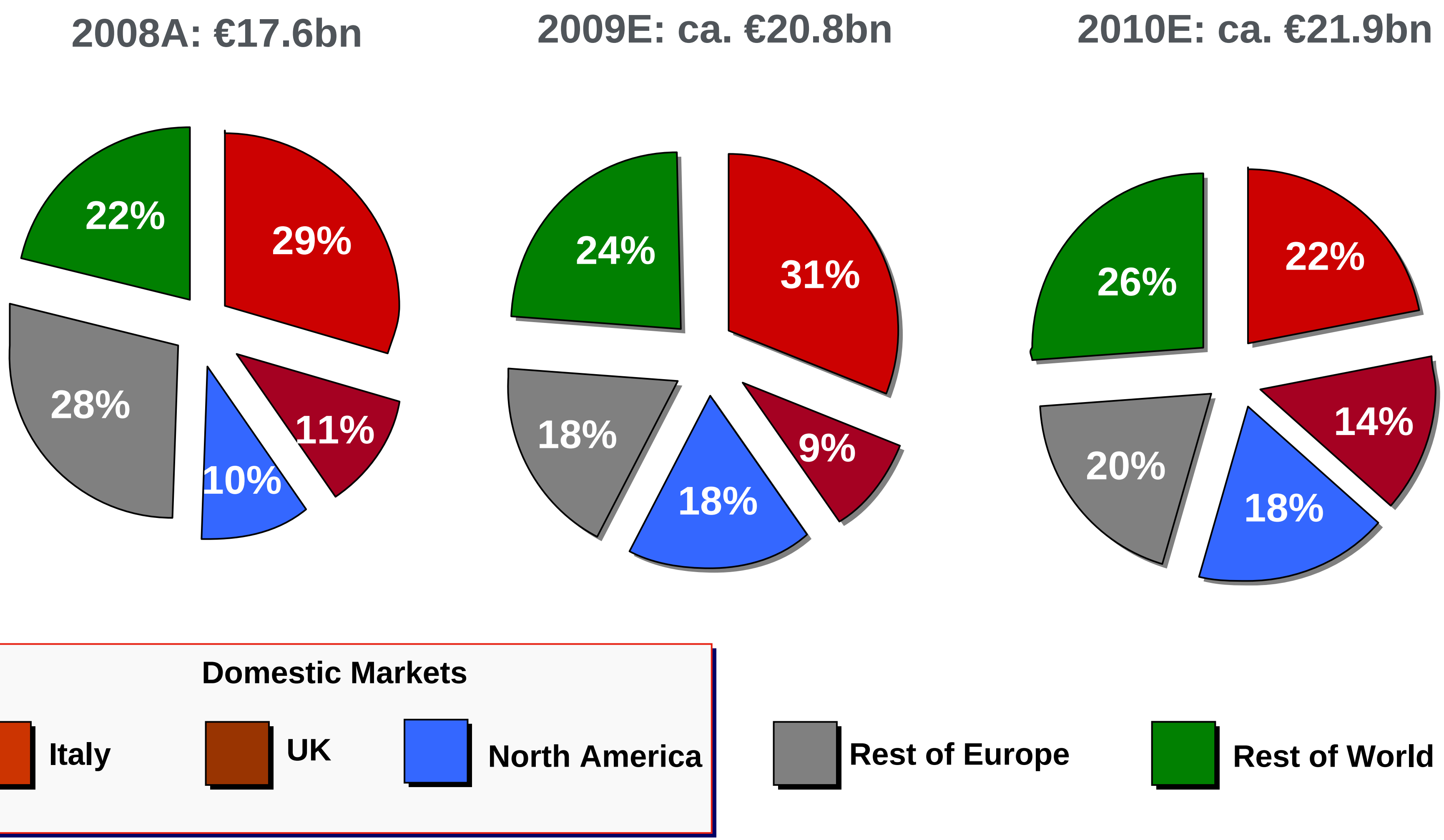


Finmeccanica a "defensive" name:

> 70% of Group Revenues and > 80% of A,D&S Revenues coming from Governmental programmes

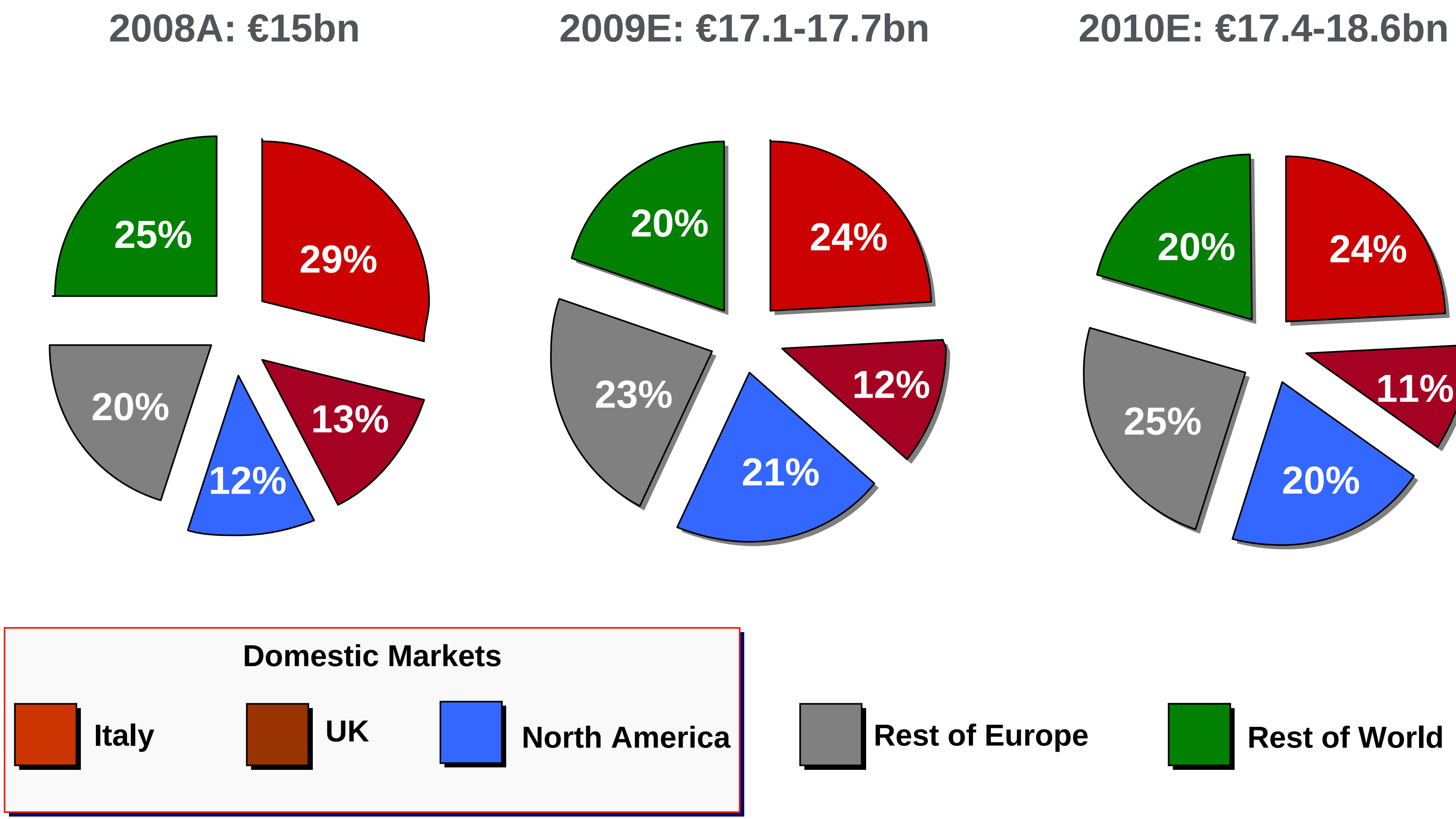
International Footprint Underpinning Organic Growth

Orders



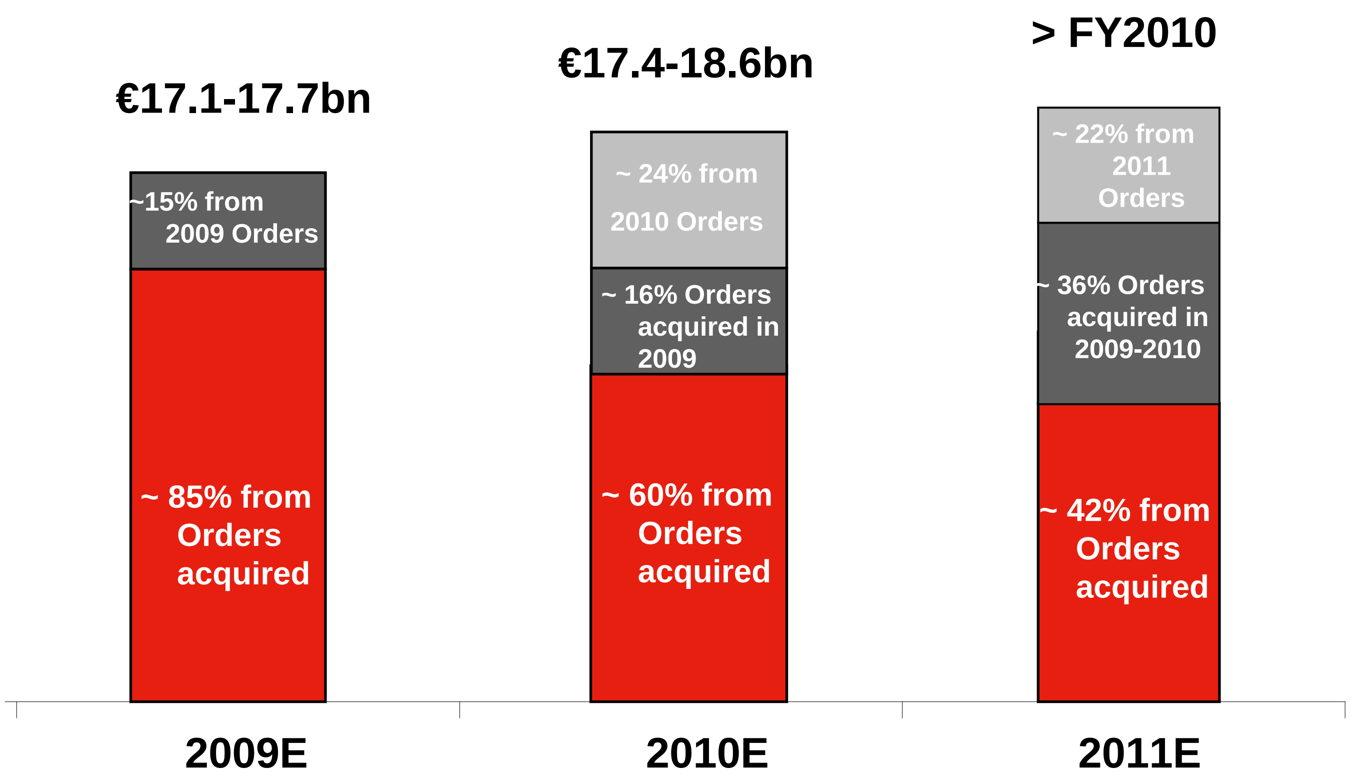
Well Balanced Geographically Diversified Revenue Profile

Revenues



Revenue Growth Targets Well Covered by Rising Backlog Highlighting Defensive Nature of our Business

Revenues



Mainly driven by 3 Strategic Pillars

Executing the Strategy

Key drivers of successful execution

Profitability

- ✓ Actions for continuing improvement
- ✓ Continuous ongoing efficiency plan
- ✓ Pursuing Group synergies

Cash Generation

- ✓ Cash generation consistent with economic performance

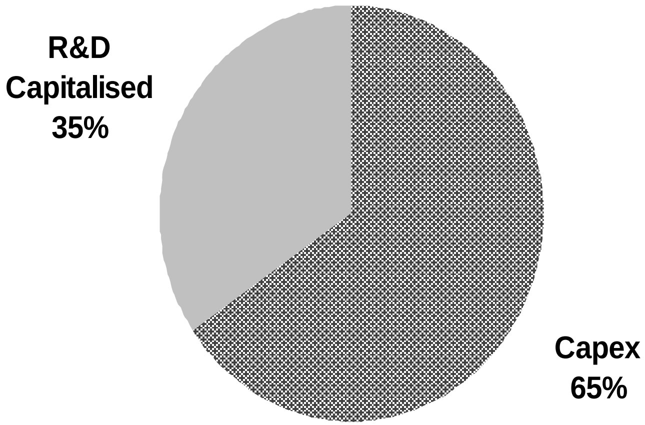
Investment Rationalisation

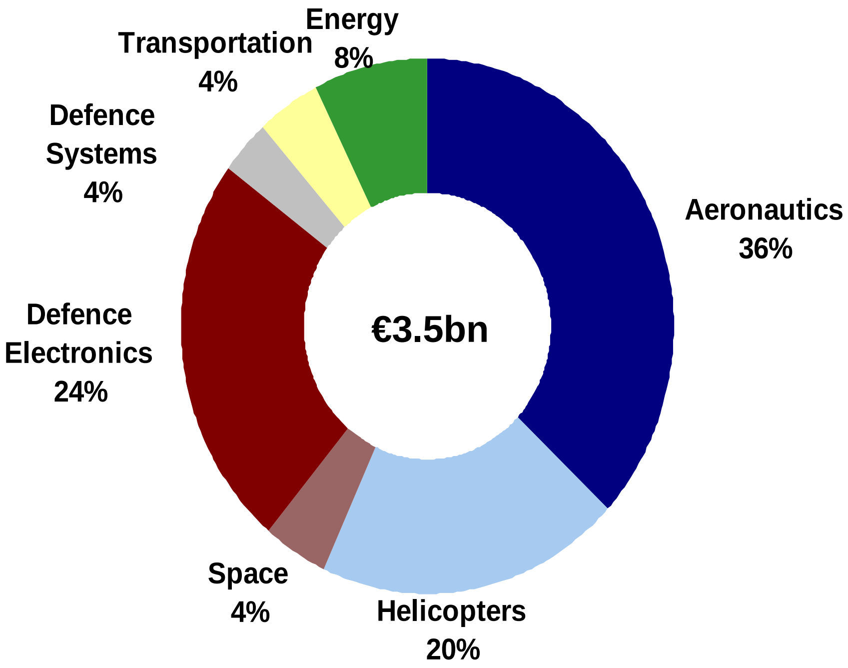
- ✓ Sustainable self-funding capability

Focus on High-Performance Investments

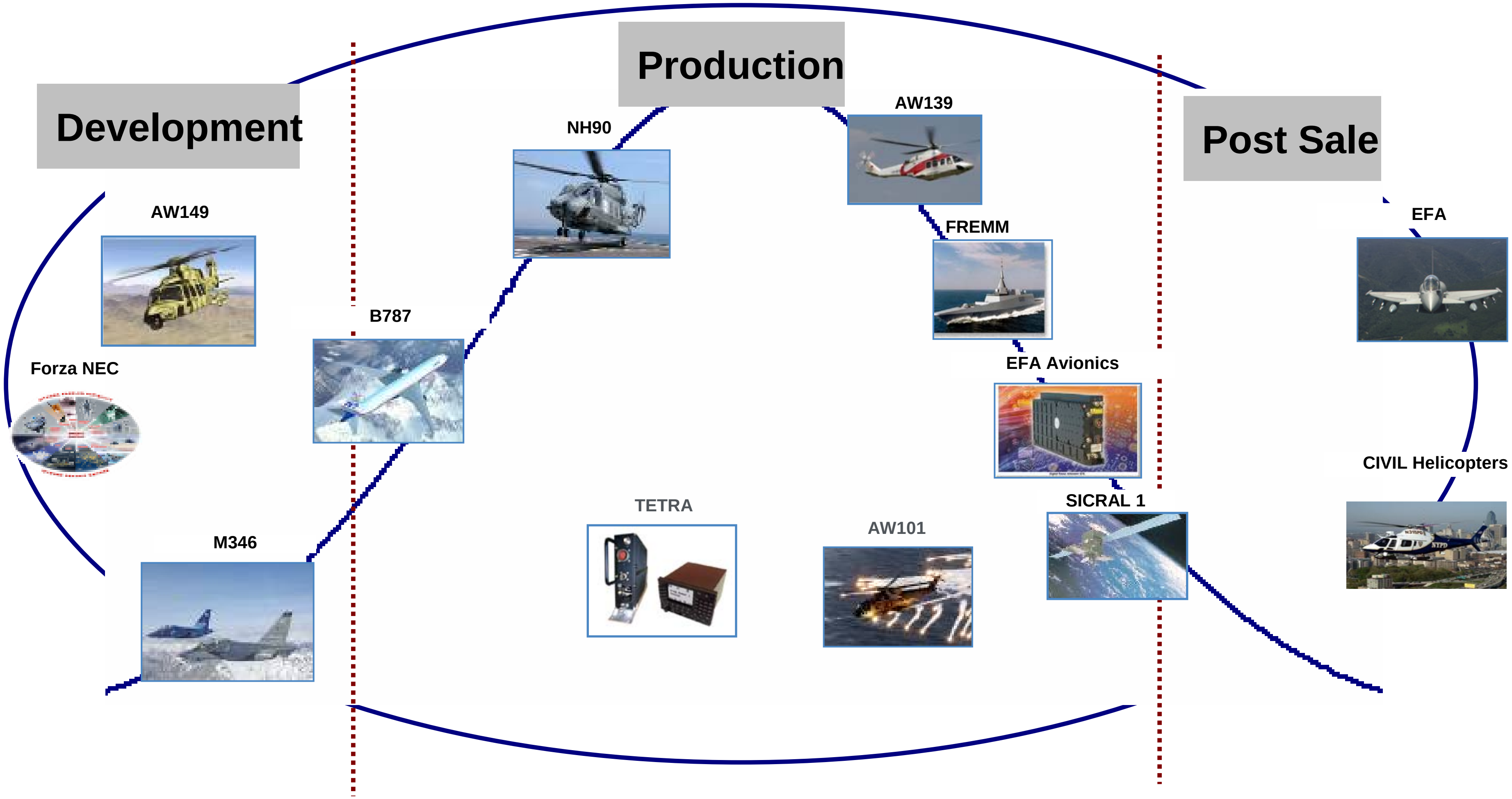
⇒ Net Investments amount to approximately €3.5bn in 2009-2011 and are concentrated in our strategic pillars

⇒ Investments are selected to guarantee a return higher than our WACC + hurdle rate

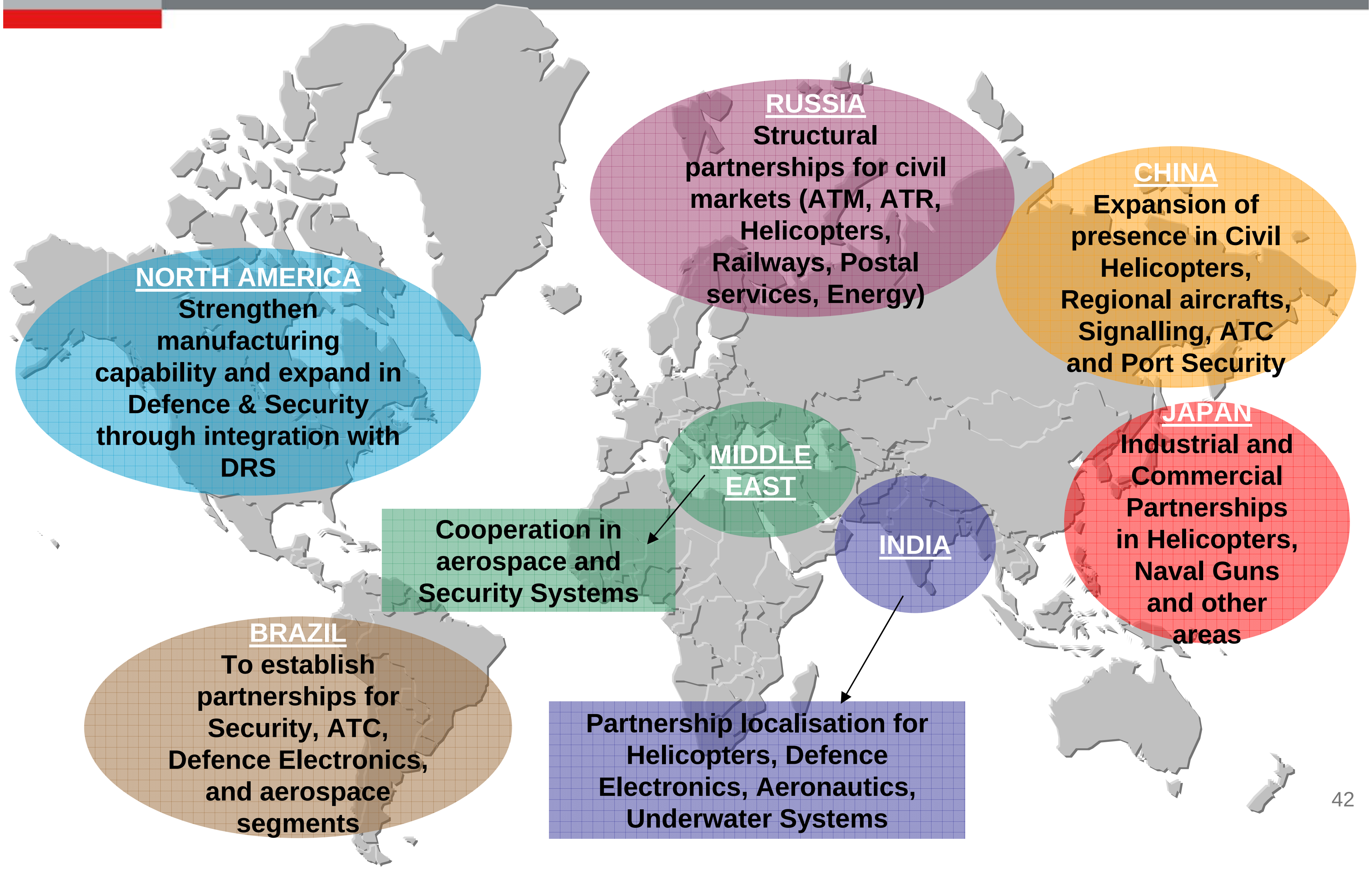




Investing in Enabling Products and Technologies for Innovation



Establish Local Partnerships in Target Markets



Commercial Strategy in Large Markets: e.g. Russia

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Large Markets – Russia

Aeronautics

- SuperJet100 programme (JV between **Alenia Aeronautica** & Sukhoi)

Railway Transportation

- Development of signalling systems (**Ansaldo STS**) and multiple electrical units (**AnsaldoBreda**)
- High speed Jeddah-Mecca-Medina (Finmeccanica with Italian and Russian Railways)

Helicopters

- L/T agreement signed between **AgustaWestland** and Oboronprom for final assembly of AW139 production and for commercial and maintenance of AW119, AW109 Power, Grand and AW139 for Russian Market

Postal automation

- Development of a “Turn key” postal automation system in Moscow region (**ElsagDatamat**)

Air Traffic Control

- Radar Meteor for Air Traffic Control systems (**Selex Sistemi Integrati**)

Energy

- Gas turbines and *decommissioning* of nuclear plants (**Ansaldo Energia**)

Commercial Strategy in Consolidating Markets: e.g. Turkey

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Consolidating Markets – Turkey

- **Selex Komunicasyon,** a Selex Communications company, has developed good relationships with local Armed Forces and Institutions
- **AgustaWestland and Alenia Aeronautica** put in place L/T cooperation agreements with local defence industry (i.e. T129Atak helicopter, ATR 72ASW)
- **OTOMelara** (guns), **Selex Sistemi Integrati** (radar 3D & ATC) and **Ansaldo STS** (signalling) have finalised some negotiations and are pursuing other important activities
- Gokturk Satellite for Earth observation (**Telespazio, Thales Alenia Space**) finalised recently
- *Business* opportunities in defence and security business, by strengthening local presence through partnerships (i.e. JV) with local players

Commercial Strategy in High Potential Growth Markets: e.g. UAE

High Potential Growth Markets – UAE

- Negotiations started for the acquisition of 48 M-346 advanced lead-in fighter trainer a/c
- The agreement includes the creation of a JV in UAE between AleniaAermacchi and the Mubadala Development Company to establish a final assembly line for M-346
- Helicopters: more > 80 sold so far (of which ca. 45 AW139)

- SELEX Sistemi Integrati, through the JV Abu Dhabi System Integration (ADSI), won a contract for ca. €70mln to supply UAE Navy with Naval Combact Systems to equip new fast patrol boats for the UAE Armed Forces as part of the Ghannatha programme
- ADSI will also supply the electro-optical surveillance and navigation systems, and will be responsible for the integration of all equipment on both these new ships and those to be upgraded

Conclusion (1/2): Through the Following Actions…

- ✓ Increase control of industrial processes throughout the entire life cycle
- ✓ Reduce working capital by optimising supply chain and inventory management, and by improving manufacturing process and milestone achievements
- ✓ Rationalise and select investments, aiming at amortisation to investment ratio equal to 1
- ✓ Manage revenue growth maximising capability to turn profit into cash (CF conversion)
- ✓ Continue efforts to reduce G&A impact on revenues

Conclusion (2/2): Over 2009-2011 We Will Focus On …

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- ✓ Our Strategic Pillars
- ✓ Maintain good visibility through robust backlog
- ✓ DRS integration, in order to exploit new product/market opportunities
- ✓ Business consolidation and rationalisation
- ✓ High quality of "delivery", through efficient and effective programme management
- ✓ Economic and financial objectives:
  - Continuous growth in profitability
  - Strong focus on Cash Flow generation
  - Alignment between FOCF and NOPAT
  - Net debt reduction

Continuing to Execute Economic, Financial and Strategic Goals

Appendix

FY 2008 Results – Profit & Loss

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CONSOLIDATED PROFIT AND LOSS ACCOUNT			
€mil.	**FY 2008**	**FY 2007**	***Change %***
Revenues	**15.037**	**13.429**	*12%*
Costs for purchases and personnel	(13.188)	(12.033)	
Depreciation and amortisation	(506)	(478)	
Other net operating revenues (costs)	(38)	127	
Adj EBITA (*)	**1.305**	**1.045**	*25%*
Adj EBITA (*) margin	*8,7%*	*7,8%*	
Non-recurring revenues (costs)	20	123	
Restructuring costs	(41)	(58)	
Impairment (Selex Comms)	(40)		
PPA amortisation	(34)	(26)	
EBIT	**1.210**	**1.084**	*12%*
EBIT margin	*8,0%*	*8,1%*	
Net finance income (costs)	(222)	(237)	
Income taxes	(367)	(326)	
Net profit before discontinued operations	**621**	**521**	*19%*
Profit of discontinued operations			
Net profit	**621**	**521**	*19%*
Group	*571*	*484*	
Minorities	*50*	*37*	
EPS (EUR)			
Basic	*1,294*	*1,140*	
Diluted	*1,292*	*1,138*	
EPS of continuing operations (EUR)			
Basic	*1,294*	*1,140*	
Diluted	*1,292*	*1,138*	

(*) Operating result before:
•any impairment in goodwill;
•amortisations of intangibles acquired under business combination;
•reorganization costs that are a part of significant, defined plans;
•other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

*EBITA Adjusted: *Operating result before:
-any impairment in goodwill;
-amortisations of intangibles acquired under business combination;
-reorganisation costs that are a part of significant, defined plans;
-other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

Balance Sheet

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BALANCE SHEET		
€mil.	**31 Dec. 2008**	**31 Dec. 2007**
Non-current assets	13.113	9.845
Non-current liabilities	(2.655)	(2.562)
	10.458	**7.283**
Inventories	4.365	3.383
Trade receivables	8.329	7.546
Trade payables	(12.134)	(10.481)
Working capital	**560**	**448**
Provisions for short-term risks and charges	(632)	(545)
Other current net assets (liabilities)	(873)	(596)
Net working capital	**(945)**	**(693)**
Net invested capital	**9.513**	**6.590**
Capital and reserves attributable to equity holders of the Company	5.974	5.329
Minority interests	156	103
Shareholders' equity	**6.130**	**5.432**
Net debt (cash)	**3.383**	**1.158**

Cash Flow

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CASH FLOW		
€mil.	**FY 2008**	**FY 2007**
Cash and cash equivalents at 1 January	**1.607**	**2.003**
Gross cash flow from operating activities	1.968	1.711
Financial charges paid	(127)	(116)
Income taxes paid	(200)	(241)
Changes in other operating assets and liabilities	(53)	(273)
Funds From Operations (FFO)	**1.588**	**1.081**
Changes in working capital	(169)	318
Cash flow generated from (used in) operating activities	**1.419**	**1.399**
Investment in tangible and intangible assets after disposals	(950)	(1.024)
Free operating cash flow	**469**	**375**
Strategic operations	(2.207)	(441)
Change in other financing activities	(22)	2
Cash flow generated (used) by investment activities	**(3.179)**	**(1.463)**
Share capital increase	1.206	-
Cash flow from financing activities	1.444	(169)
Dividends paid	(187)	(151)
Cash flow generated (used) by financing activities	**2.463**	**(320)**
Exchange gains/losses	(13)	(12)
Cash and cash equivalents at 31 December	**2.297**	**1.607**

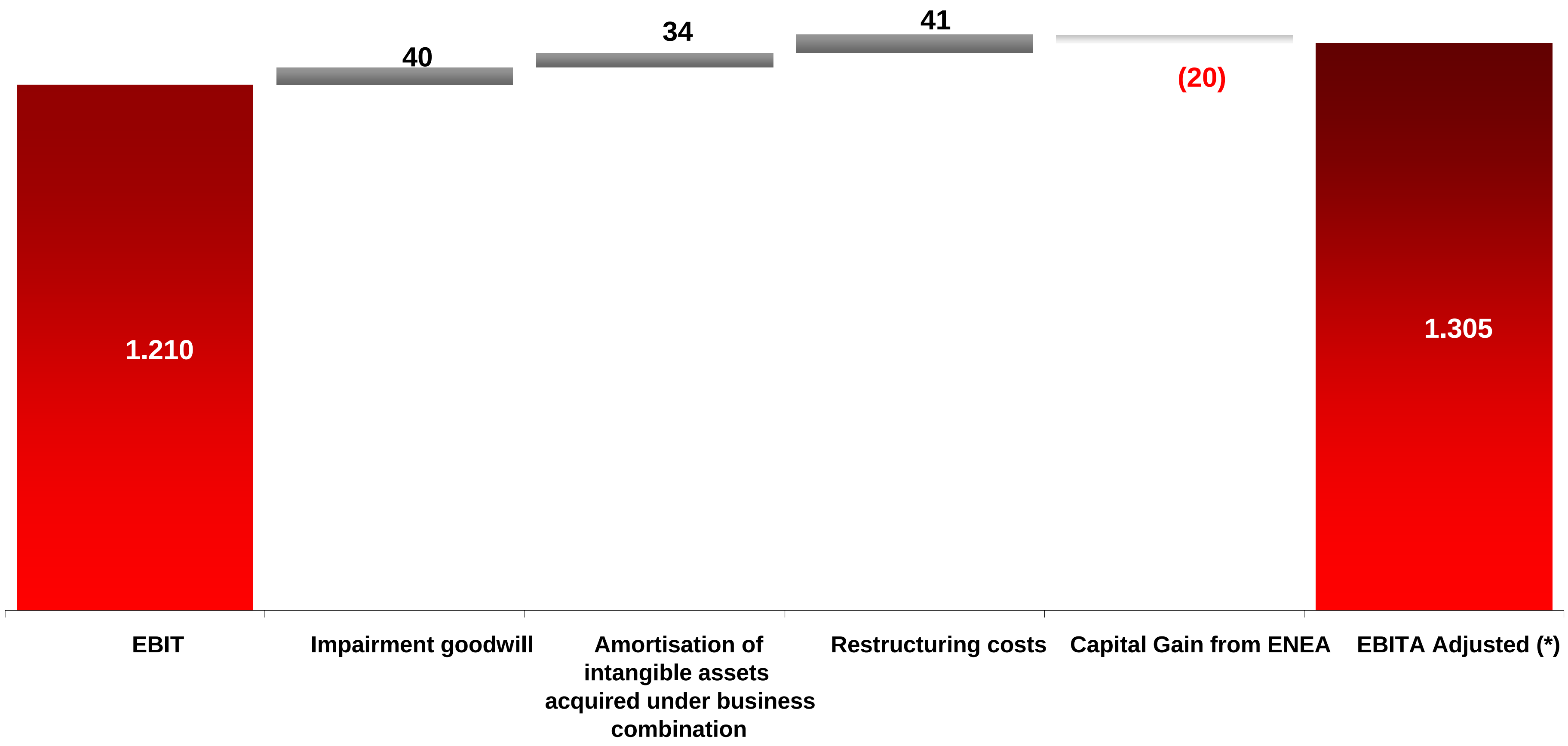
Divisions

2008 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	3.035	4.362	2.530	994	1.116	1.333	1.759	425	(517)	**15.037**
Adj EBITA (*)	**353**	**442**	**250**	**65**	**127**	**122**	**126**	**(180)**		**1.305**
Adj EBITA (*) margin	*11,6%*	*10,1%*	*9,9%*	*6,5%*	*11,4%*	*9,2%*	*7,2%*	*n.s.*		*8,7%*
Depreciation and amortisation	113	178	133	26	38	19	20	13		**540**
Investment in non-current assets	193	199	298	31	56	65	33	14		**889**
Research and development costs	273	619	508	64	258	32	51	4		**1.809**
New orders	5.078	4.418	2.720	921	1.087	2.054	1.557	113	(373)	**17.575**
Order backlog	10.481	10.700	8.281	1.383	3.879	3.779	4.849	357	(772)	**42.937**
Headcount	10.289	30.330	13.907	3.620	4.060	3.285	6.838	1.069		**73.398**

2007 (EUR million)	Helicopters	Defence Electronics	Aeronautics	Space	Defence Systems	Energy	Transport	Other Activities and Corporate	Eliminations	Total
Revenues	2.980	3.826	2.306	853	1.130	1.049	1.356	345	(416)	**13.429**
Adj EBITA (*)	**377**	**427**	**240**	**61**	**125**	**93**	**(110)**	**(168)**		**1.045**
Adj EBITA (*) margin	*12,7%*	*11,2%*	*10,4%*	*7,2%*	*11,1%*	*8,9%*	*-8,1%*	*n.s.*		*7,8%*
Depreciation and amortisation	103	157	135	23	31	15	25	14		**503**
Investment in non-current assets	127	206	523	53	48	20	25	26		**1.028**
Research and development costs	322	557	581	62	241	20	47	6		**1.836**
New orders	3.970	5.240	3.104	979	981	1.801	1.786	557	(502)	**17.916**
Order backlog	9.004	8.725	8.248	1.423	4.099	3.177	5.108	597	(1.077)	**39.304**
Headcount	9.556	19.589	13.301	3.386	4.149	2.980	6.669	1.118		**60.748**

(*) Operating result before:
- any goodwill impairment;
- amortisations of intangibles acquired under business combination;
- restructuring costs of major, defined plans;
- other extraordinary income and expenses, i.e. relating to particularly significant events unconnected with the ordinary operations of the company's core businesses.

Reclassification Group Ebita Adjusted* 2008



*EBITA Adjusted: *Operating result before:
-any impairment in goodwill;
-amortisations of intangibles acquired under business combination;
-reorganization costs that are a part of significant, defined plans;
-other exceptional costs or income, i.e. connected to particularly significant events that are not related to the ordinary performance of the business.

Average Maturity now 5 Years and Average Cost of Debt ca 5%; No Refinancing Needs Before 2010

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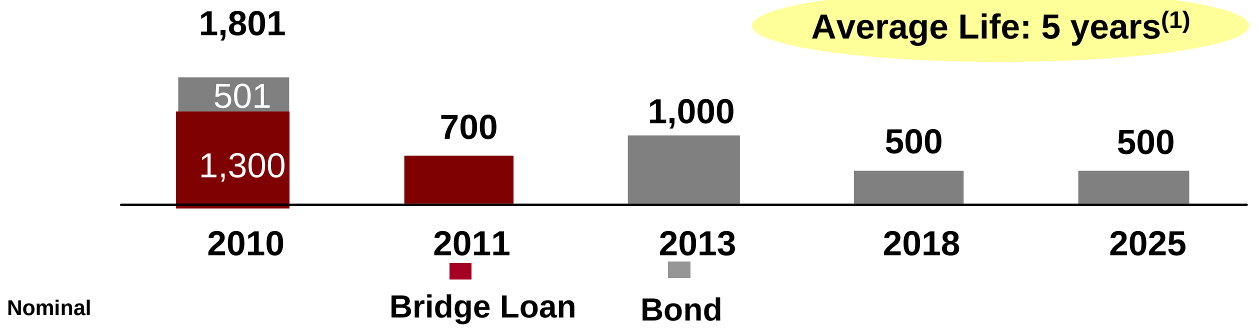
€ mln

Average Life: 5 years[1]



Bond

Issuer	Issue date	Expiry date	Nominl Amount(€m)	Coupon (bps)
Finmeccanica Finance[2]	2003	Aug-10	501	37.5
Finmeccanica Finance[3]	2008-09	Dec-13	1.000	812.5
Finmeccanica Finance	2003	Dec-18	500	575
Finmeccanica	2005	Mar-25	500	487.5
Total			**2,501**	

Bridge loan for DRS acquisition

Tranche	Size	Outstanding	Tenor (years)	Maturity	Margin (bps)
Tranche A	1000	0	1	June 2010	70
Tranche B	1500	1300	1 + 1	June 2010	70
Tranche C	700	700	3	June 2011	85
Total	3200	2000			

Credit Line

Medium Term Revolving

Size €1,200m

Tenor Committed until 2012

Conditions Euribor + 23 Bps

Liquidity ensured by €1.2bn revolver and available credit lines (€1.3-1.4bn)

Short Term Lines

Size €966m of which €841m uncommitted

Finmeccanica Credit Rating

Agency	Date	Medium/long-term indebtedness	Outlook
MOODY'S	29 august 2005	A3	STABLE
STANDARD & POOR'S	July 2004	BBB	STABLE
FITCH	13 May 2008	BBB	POSITIVE

(1) DRS Bond reimbursed on January 2009 not included.
(2) Bonds exchangeable in 20,000,000 STMicroelectronics N.V. shares
(3) Tap €250mil on 2013 Bond.

Guidance Achieved for Sixth Consecutive Year

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	2003 (Italian GAAP)		2004 (Italian GAAP)		2005 (IAS)		
	Guidance	Reported	Guidance	Reported	Guidance	Reported	Outcome
Value of Production YOY	9-10%	11%	7%	9%	20%	25%	✓✓✓
EBIT	6-6.5% low end	6.4%	> € 550mln	€ 614mln	Ca. € 700mln	€750 mln	✓✓✓
Operating Cash Flow	> € 0	€ 496 mln	> € 0	€ 364 mln	Cumulative FOCF 2005-2007: €600mln	€ 501mln	✓✓✓

	2006 (IAS)		2007 (IAS)		2008 (IAS)		
	Guidance	Reported	Guidance	Reported	Guidance	Reported	Outcome
RevenuesYOY	€ 12.7-13bn (Value of Production)	€ 12.5bn (Revenues)	€ 13.1-13.7bn	€ 13.4bn	€14.2-14.9bn	€15 bn	✓✓✓
EBIT	€ 840-860mln	€ 878mln	€ 1,050-1,100mln	€ 1,084mln	€ 1,170-1,240mln Ebita	€ 1,305mln Ebita	✓✓✓
Free Operating Cash Flow	€ 300mln	€ 506mln	>0	€ 375mln	Approx. € 375mln	€ 469mln	✓✓✓

Avg FOCF p.y. 2006 - 2008

Cumulative FOCF p.y. 2006 – 2008; 1.3-1.5bn

2008° in line with 2007

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